

**Introduction of**  
**On-the-Spot Digital**  
**Payment of Administrative**  
**Fines, with an Enforceability**  
**Framework**  
**for Non-Residents and Persons**  
**without a Permanent Address**

In the context of the  
Ministry's Public  
Consultation Process



PROPOSAL SUBMITTED BY



**Local Councils'**  
**Association**

Assoċjazzjoni Kunsilli Lokali Malta



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# Foreword

The Local Councils' Association (LCA) warmly welcomes and fully supports the initiative taken by the Ministry for Home Affairs, Security, Reforms and Equality to launch a public consultation on strengthening Malta's enforcement framework. The Association views this reform process as both necessary and forward-looking, and as an opportunity to modernise administrative enforcement in a manner that reflects present-day realities.



At the same time, it is important to underline that the principles contained in this submission are not new or isolated proposals. They represent a long-standing, consistent position advocated by the Local Councils' Association and supported by Mayors and Councillors across Malta and Gozo. Over the years, local representatives from different regions and political backgrounds have repeatedly highlighted the operational limitations of the current system and the need for practical, enforceable solutions.

Local Councils stand at the frontline of community governance. They experience first-hand the challenges associated with obstructed garages by foreign-registered vehicles, illegal parking in residential areas, repeated contraventions in high-density localities, and waste management violations in short-let accommodation. When enforcement procedures are delayed or prove impractical due to addressability limitations, the consequences are borne directly by residents and local communities.

The Association's advocacy since 2019 for on-the-spot enforcement mechanisms was therefore rooted in lived operational experience, not theoretical debate. The objective has always been to ensure fairness, proportionality, and enforceability — so that residents who comply with the law are not placed at a disadvantage compared to those who are difficult to trace. The call was never for indiscriminate severity, but for practical and balanced reform. Today, technological advances in secure digital payments and real-time enforcement systems make it possible to achieve what was previously difficult to implement. The Ministry's consultation provides the appropriate institutional framework to translate this shared local governance experience into a structured national reform.



## Foreword CONTINUED

This submission reflects the collective voice of Local Councils, Mayors, and Councillors who are united in the view that enforcement must be credible, efficient, and equitable. It seeks to support the Ministry by offering a constructive, rights-compliant pathway to modernisation — one that strengthens administrative efficiency while safeguarding constitutional protections and public trust.

The Local Councils' Association remains committed to working closely with the Ministry and all relevant stakeholders to ensure that this reform moves forward in a balanced and practical manner. Our communities expect an enforcement system that is not only legally sound, but operationally effective. Through collaborative effort, this objective is both achievable and necessary.

**Mario Fava**

*President, Local Councils' Association (Malta)*

**Introduction of On-the-Spot Digital Payment of Administrative Fines, with an Enforceability Framework for Non-Residents and Persons without a Permanent Address**

# Executive Summary

This submission by the Local Councils' Association proposes the introduction of a regulated system enabling **on-the-spot digital payment of administrative fines**, supported by appropriate legal safeguards, technical standards, and enforceability mechanisms.

Empowering authorised enforcement officers to offer voluntary **on-the-spot digital payment** using secure, certified systems.



# Executive Summary CONTINUED

## PURPOSE OF THE REFORM

The proposed reform seeks to address two primary structural challenges within the current system:

### 1. Administrative Burden and Delayed Recovery

The traditional fine-handling process involves multiple stages: issuance, postal notification, reminders, tribunal preparation, and potential enforcement follow-up: resulting in significant administrative expenditure, delayed revenue realisation, and tribunal backlog.

### 2. Enforceability Gap for Non-Residents and Persons Without a Permanent Address

Where individuals cannot be reliably served by post, particularly in cases involving tourists, short-term visitors, or foreign-registered vehicles, enforcement becomes impractical. This creates unequal outcomes between addressable and non-addressable offenders and undermines deterrence and public confidence.

## CORE PROPOSAL

The LCA recommends:

- Empowering authorised enforcement officers to offer voluntary on-the-spot digital payment using secure, certified systems.
- Ensuring that immediate payment remains optional for residents with a verifiable Maltese address.
- Introducing a differentiated enforceability mechanism for persons without a verifiable service address in Malta, based solely on addressability rather than nationality.
- Considering an incentivised early-settlement mechanism for residents who opt for immediate resolution, reflecting administrative savings.
- Embedding robust safeguards relating to appeal rights, data protection, cybersecurity, auditability, and anti-coercion standards.



## LEGAL AND GOVERNANCE FRAMEWORK

The proposal includes:

- Clear statutory authorisation for digital settlement.
- Preservation of contestation rights and procedural fairness.
- Defined technical standards for secure payment systems.
- Standardised “Rights and Information Notices.”
- Data minimisation and audit requirements.
- Ministerial enabling powers for subsidiary legislation.

## EXPECTED BENEFITS

The reform is expected to:

- Increase fine recovery rates.
- Reduce tribunal backlog and administrative workload.
- Improve cash flow predictability.
- Strengthen deterrence and enforcement credibility.
- Promote fairness and equal practical outcomes.
- Modernise Malta’s enforcement framework in line with digital government principles.

## IMPLEMENTATION

The LCA recommends a phased implementation approach:

- Pilot programme (6–12 months).
- Legislative refinement.
- National rollout supported by public communication and training.

In conclusion, this proposal represents the evolution of an initiative first advocated by the LCA in 2019 into a comprehensive, balanced, and rights-compliant reform framework. It aligns operational realities with modern administrative practice and offers a practical pathway to strengthening Malta’s enforcement system while safeguarding fairness and public confidence.

# Enforceability Framework



# 1. Purpose of this Submission

The Local Councils' Association (LCA) is submitting this paper as a supportive, constructive contribution to the Ministry's ongoing public consultation process. The paper proposes a practical reform to strengthen administrative enforcement, improve compliance, reduce bureaucracy, and increase fairness and enforceability, particularly in circumstances where traditional postal service and tribunal summons mechanisms prove ineffective.

The LCA supports the introduction of a regulated system enabling on-the-spot digital payment of administrative fines, supported by clear legal safeguards, robust governance standards, and a differentiated enforceability framework that addresses the realities of tourism, high mobility, and persons who cannot be reliably served by post.

## 2. Background and the LCA's Prior Advocacy

The Local Councils' Association (LCA) has consistently supported reforms aimed at strengthening civic responsibility, environmental stewardship, orderly communities, and respect for local regulations. At the same time, the Association has always emphasised that enforcement systems must be fair, proportionate, transparent, and practically workable within Malta's specific socio-economic realities.

Over the years, Local Councils have repeatedly encountered structural weaknesses in the enforceability of administrative fines: particularly in circumstances where offenders could not be effectively traced after the issuance of a citation.

### 2.1 Early Advocacy for On-the-Spot Fines (2019)

As early as 2019, the LCA publicly advocated for the introduction of harsher and immediately enforceable on-the-spot fines, highlighting a recurring enforcement gap affecting local communities.

One of the most persistent issues raised by Local Councils concerned foreign-registered vehicles and transient users of public space. Councils frequently reported cases where vehicles bearing foreign registration plates were:

- Parked obstructing residential garages;
- Left on double yellow lines for extended periods;
- Blocking narrow residential streets;
- Parked illegally in disabled bays;
- Abandoned in high-demand residential zones.



In numerous instances, enforcement officers issued citations in accordance with existing procedures. However, when the fine was not settled immediately and a postal notification was subsequently issued, enforcement often failed because:

- The registered address was outside Malta;
- The vehicle was a rental and the driver could not be easily identified;
- The individual had already departed the country;
- The cost of cross-border enforcement exceeded the fine value or there were no means of tracking the person;

This created a clear imbalance: residents with Maltese-registered vehicles remained fully traceable and enforceable, while transient individuals or foreign vehicle users could, in practice, evade consequence. Such outcomes undermined both fairness and deterrence, and created frustration among residents who experienced repeated obstruction and nuisance.

The LCA therefore argued that where enforceability through post and tribunal procedures is uncertain or impractical, a mechanism must exist to secure lawful resolution at the point of contact.

## 2.2 Waste Enforcement in Short-Let Accommodation

Another concrete example raised by the Association concerned waste management compliance in short-let and tourist accommodation.

Local Councils have long faced recurring issues involving:

- Incorrect waste separation;
- Disposal outside designated collection days;
- Bags left on pavements in violation of local schedules;
- Bulk waste abandoned without booking;
- Refuse left exposed in public areas, creating hygiene and visual pollution concerns.

In many of these cases, the individuals responsible were short-term occupants of rented properties. By the time a contravention notice was processed and issued through standard channels, the occupants had already left the property and, in many cases, the country.

The LCA therefore proposed that waste-related fines in short-let contexts be settled on the spot, particularly where the responsible party did not have a permanent registered Maltese address. The objective was not punitive escalation, but rather administrative practicality: ensuring compliance at the moment of enforcement, protecting public cleanliness, and avoiding the accumulation of unenforceable citations.

This proposal was grounded in repeated operational experience from councils in high-tourism localities, where seasonal turnover significantly complicates traditional enforcement methods.

## **2.3 Evolution Toward a Modern Digital Framework**

The current proposal builds on that established advocacy and operational experience. What was initially framed as a call for stricter and immediate enforcement has now evolved into a more structured and balanced reform concept, incorporating:

- Secure digital payment systems;
- Real-time centralised recording;
- Enhanced auditability and transparency;
- Preserved appeal rights;
- Clear safeguards against coercion;
- Differentiation based on addressability rather than nationality.

In other words, the reform does not simply seek to increase enforcement severity; it seeks to modernise enforcement delivery, close practical gaps, reduce administrative waste, and restore equal treatment across categories of offenders.

The Association's longstanding position has therefore matured into a comprehensive proposal that aligns operational experience from Local Councils with Malta's broader digital governance ambitions and the need for an enforceable, credible, and fair administrative system.

### 3. Executive Summary

This reform proposes the introduction of a regulated system enabling voluntary on-the-spot digital payment of administrative fines, particularly in areas such as:

- Parking and traffic contraventions
- Environmental offences (including littering and improper disposal)
- Minor public order and by-law infringements
- Local enforcement matters that currently generate disproportionate administrative cost relative to recovery
- Waste management

The reform seeks to:

1. Increase administrative efficiency and reduce paper-based processes
2. Improve collection rates and reduce the backlog of unpaid fines
3. Enhance transparency and reduce opportunities for error and dispute
4. Strengthen enforceability in cases involving tourists and persons without a permanent address
5. Safeguard rights, ensuring clear information, appeal options, and non-coercive practice
6. Serve as a preventive system

This proposal complements Malta's broader digital government direction and supports the local governance objectives pursued by councils and the LCA.

**Waste-related fines in short-let contexts be settled on the spot.**





**A standard fine that is not settled immediately generally passes through several stages.**

## **4. Current Challenges the Reform Addresses**

### **4.1 Administrative Burden and Delayed Recovery**

Under the current framework, the handling of administrative fines typically involves a multi-stage, resource-intensive process. While procedurally sound, this structure often generates delays, duplication of effort, and disproportionate administrative costs relative to the value of the fine itself.

#### **4.1.1 Multi-Step Processing Chain**

A standard fine that is not settled immediately generally passes through several stages:

1. Issuance of Citation – The enforcement officer records the offence and issues a physical or digital notice.
2. Back-Office Registration – The citation must be entered into the central system, verified, and processed.
3. Postal Notification – A formal notice is generated and sent by post to the registered address of the individual or vehicle owner.
4. Waiting Period – A statutory timeframe is allowed for voluntary settlement.
5. Reminder or Escalation Notice – If unpaid, additional correspondence may be issued.
6. Preparation for Tribunal Proceedings – Files are compiled, documentation reviewed, and hearing dates scheduled.
7. Officer Attendance at Tribunal – Enforcement officers may be required to attend sittings, often waiting extended periods.
8. Post-Tribunal Recovery Action – If fines remain unpaid, further recovery procedures may follow.

Each of these stages involves human resources, system usage, document generation, and operational coordination.

## 4.1.2 Administrative Costs Exceeding Proportionality

For relatively minor infringements, such as parking violations or waste separation breaches, the cost of processing can become disproportionately high when compared to the fine amount.

Administrative costs may include:

- Printing and postage expenses
- Data entry and verification time
- Legal file preparation
- Tribunal scheduling and registry processing
- Enforcement officer time diverted from field duties
- Storage and archiving costs

When multiplied across thousands of cases annually, these cumulative expenses become significant for both central authorities and Local Councils.

## 4.1.3 Delayed Revenue Realisation

The traditional process often results in delayed revenue collection, sometimes extending over several months. During this period:

- Cash flow remains unrealised
- Budget forecasting becomes less predictable
- Unpaid fine backlogs accumulate
- Administrative attention is diverted to recovery rather than prevention

In some cases, fines remain unresolved for extended periods due to adjournments, service difficulties, or non-attendance at tribunal sittings.

## 4.1.4 Tribunal Backlog and Systemic Pressure

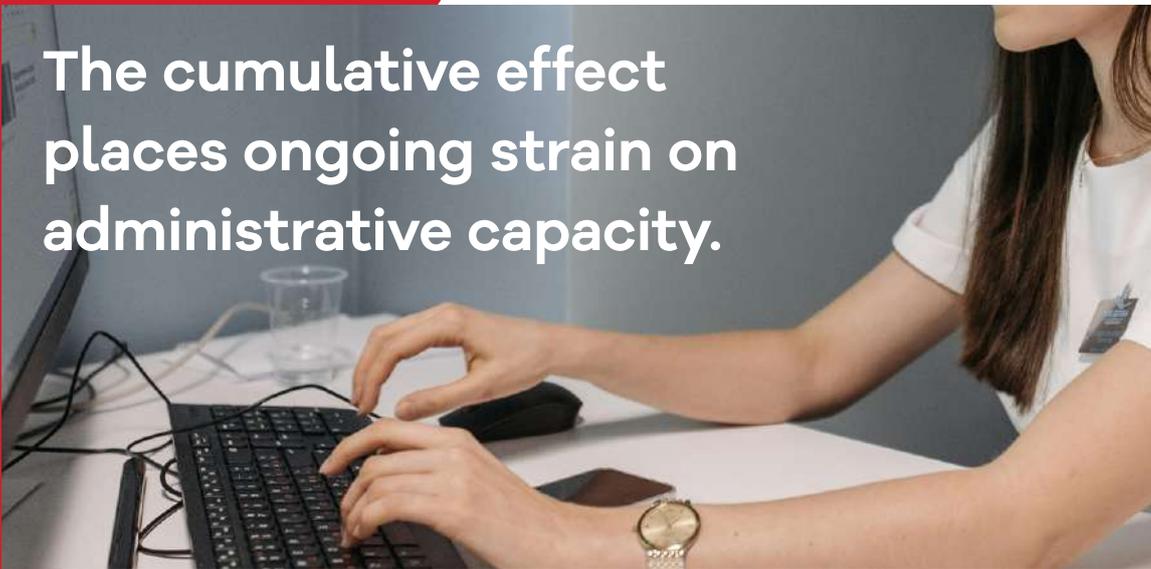
When a substantial proportion of fines escalate to tribunal proceedings, the system experiences cumulative strain:

- Increased listing volumes
- Extended waiting times for hearings
- Administrative congestion
- Delays affecting other more serious matters

Enforcement officers are frequently required to dedicate time to court attendance rather than performing preventive or community-based duties. This reduces overall enforcement visibility and effectiveness.



# The cumulative effect places ongoing strain on administrative capacity.



## 4.1.5 Inefficiency in Cases Ultimately Settled

A notable proportion of cases that proceed toward tribunal are ultimately settled before or shortly after the hearing date. In such cases, the administrative resources expended prior to settlement yield no additional public value, as the outcome, payment, could have been achieved earlier with a more streamlined mechanism.

## 4.1.6 Compounding Effect in High-Turnover Localities

In high-density and high-mobility localities, particularly those with significant tourism or short-let activity, these inefficiencies are magnified:

- Increased volume of citations
- Higher rates of delayed payment
- Greater probability of unenforceable cases
- Escalated administrative workload

Without an early settlement mechanism, the cumulative effect places ongoing strain on administrative capacity.

## 4.1.7 Strategic Implications

The administrative burden created by delayed recovery is not merely operational, it has broader governance implications:

- Reduced enforcement credibility
- Perceived inconsistency in outcomes
- Strain on local government resources
- Reduced capacity for proactive community engagement

A system that allows for lawful, transparent, and immediate resolution at the point of enforcement reduces complexity, improves efficiency, and reallocates administrative energy toward preventive and community-focused functions.

## **4.2 Enforceability Gap for Non-Residents and Persons Without a Permanent Address**

A central structural weakness within the current administrative enforcement framework arises in cases where the alleged offender cannot be reliably served with notices and/or summons by post or otherwise formally notified of proceedings. In practice, the effectiveness of the existing process presumes that the person concerned has a verifiable and serviceable address in Malta. Where such addressability does not exist, enforcement becomes uncertain, disproportionately costly, and frequently ineffective.

### **4.2.1 Operational Breakdown of Service and Follow-Up**

In circumstances where a person:

- does not have a registered Maltese address;
- resides in temporary accommodation or short-let premises;
- departs Malta prior to the commencement or conclusion of proceedings; or
- is associated with foreign-registered or hire vehicles where driver identification is not immediately determinable,

the established enforcement chain may fail for reasons entirely unrelated to the merits of the infringement itself.

Accordingly:

- the postal citation may not reach the person at all (returned, undelivered, or served to an address with no connection to the offender);
- the individual may leave Malta before the matter is progressed;
- tribunal summons processes become impractical due to service obstacles and non-attendance; and
- enforcement costs are incurred without realistic recovery prospects.

This produces outcomes that are procedurally valid yet practically ineffective, generating avoidable public expenditure while weakening deterrence.



## The total administrative and tribunal-related expenditure may become disproportionate to the value of the fine.

### 4.2.2 Impact on Tribunal Processes and Public Administration

Where service is doubtful, tribunal proceedings may lead to:

- repeated attempts at service verification;
- adjournments due to non-service or non-appearance;
- file preparation and registry processing which remains unrecoverable in cost; and
- diversion of enforcement officers from frontline duties to administrative and tribunal-related tasks.

In minor contraventions, the total administrative and tribunal-related expenditure may become disproportionate to the value of the fine, particularly where recovery is unlikely.

### 4.2.3 Fairness, Credibility, and Equal Outcomes

This enforceability gap creates unequal practical outcomes between:

- persons who are addressable and traceable within Malta (and therefore routinely subject to effective follow-up), and
- persons who are not addressable (and therefore, in practice, may evade consequence).

The result is an unintended imbalance that undermines confidence in enforcement consistency, weakens deterrence, and contributes to resident frustration—especially in localities experiencing high mobility and short-stay activity.

#### **Short Comparative EU Perspective: How Tourism-Heavy Jurisdictions Address This Gap**

Tourism-intensive EU Member States commonly address this exact enforceability challenge through early settlement incentives, deposit/consignation mechanisms, and digital or immediate payment pathways, specifically because reliance on postal service to non-resident addresses is unreliable.

**France: “Consignation” / On-the-spot settlement approach for foreigners**

France explicitly recognises that non-residents may be subject to an on-the-spot payment requirement or a “consignation” (deposit) where immediate payment is not possible, including measures such as retaining the vehicle until a deposit is paid in certain scenarios. This is designed to ensure enforceability where post-service and later recovery are uncertain.

**Italy: Early-payment reduction (administrative efficiency incentive)**

Italy’s road traffic system includes an established model whereby payment within a very short window attracts a reduction, reflecting a policy preference for early closure and reduced administrative processing. The ACI’s consolidated text of the Codice della Strada reflects the early-payment reduction mechanism under Article 202 (including exclusions for certain categories of offences).

**Spain: Reduced payment (“pronto pago”) and digital-first notification systems**

Spain’s DGT provides for payment within the voluntary period (first 20 days) with a 50% reduction in most cases, precisely to encourage early settlement and reduce procedural escalation, supported by digital payment pathways and formal administrative sequencing.

**EU-level support: Cross-border cooperation exists, but is not a full substitute for on-the-spot enforceability**

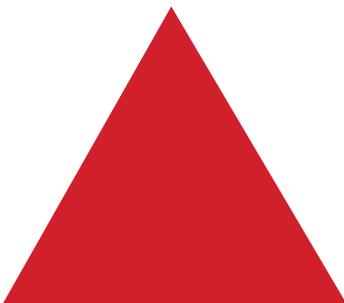
At EU level, Directive (EU) 2015/413 facilitates cross-border exchange of information for road-safety-related offences, recognising the enforcement challenge across Member States. However, such mechanisms are not always proportionate or effective for low-value administrative infringements and do not remove the practical advantage of settlement at point of contact.

Conclusion of the comparative note: Across tourism-heavy contexts, the common policy logic is consistent: when future service and recovery are doubtful, systems lawfully prioritise early settlement mechanism, either through incentives (discounts) or enforceability tools (deposit/consignation), paired with clear procedural safeguards.

### **4.3 Need for Digital-First Services and Better Audit Trails**

Malta already has an operational online enforcement portal that provides services such as receiving summons and tribunal documents via email and viewing payment history, demonstrating the feasibility and value of digitised enforcement processes.

The proposed reform builds on such digital infrastructure by addressing the “front end” of enforcement, the moment of issuance, where efficiency and compliance are most effectively secured.





## 5. Reform Proposal

### 5.1 Core Proposal

The LCA recommends that authorised enforcement officers be empowered to offer on-the-spot digital payment at the point of enforcement using secure, certified devices (or secure mobile solutions), generating an immediate receipt and real-time entry into the central enforcement system.

This should be implemented as an option for the individual, not an obligation, except where enforceability is not possible through standard means (see Section 6).

### 5.2 Scope

The reform can be introduced progressively across:

- Local council-related enforcement and by-law infringements
- Contraventions issued within the Local Enforcement framework
- Other low-to-mid level administrative infringements where immediate settlement improves compliance and reduces cost

### 5.3 Legal and Regulatory Measures

The Local Councils' Association recommends that the introduction of on-the-spot digital payment of administrative fines be supported by clear and precise amendments to the relevant primary and subsidiary legislation. The objective is to ensure legal certainty, procedural fairness, data protection compliance, and operational uniformity across all enforcement bodies.

The following legal measures are proposed:

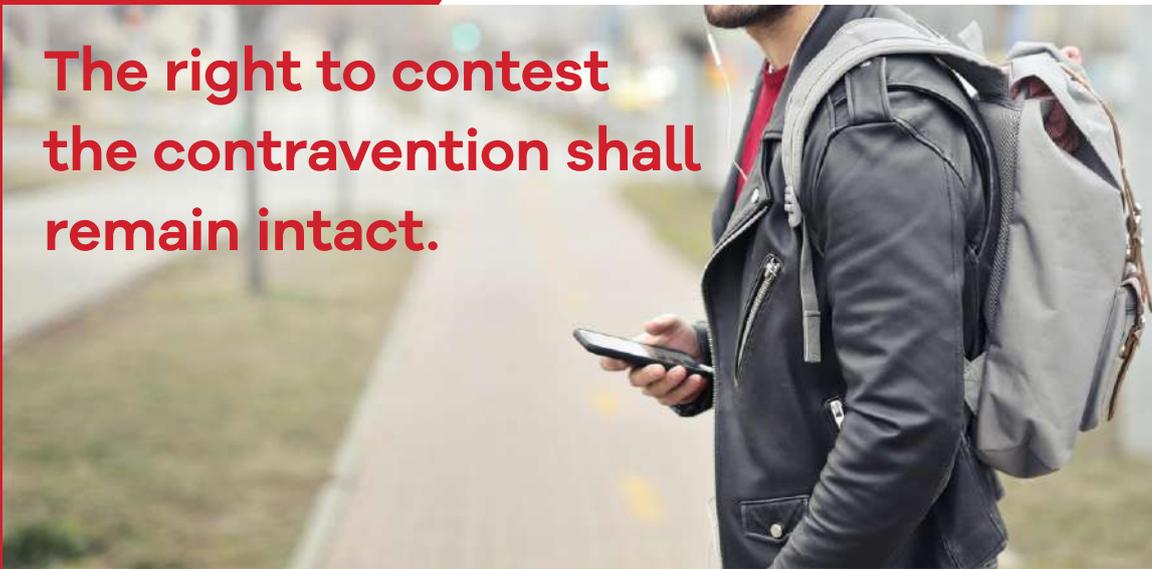
#### 5.3.1 Statutory Authorisation of On-the-Spot Digital Payment

Legislation should expressly provide that authorised enforcement officers may offer immediate digital settlement of administrative fines at the point of enforcement.

Such provision should:

- Clarify that the power is discretionary ("may") rather than mandatory, except where otherwise provided by law (e.g., in non-addressable cases).
- Specify that digital settlement may be affected through secure electronic payment systems approved by the competent authority.

## The right to contest the contravention shall remain intact.



- Recognise electronic receipts as legally valid proof of settlement.
- Provide that digital records generated at the time of payment constitute prima facie evidence of payment.

This amendment ensures that the practice is explicitly grounded in statute rather than dependent solely on administrative policy.

### 5.3.2 Preservation of the Right to Contest

To safeguard procedural fairness and constitutional guarantees of access to justice, legislation should clearly state that:

- Immediate payment shall not be deemed to constitute an automatic admission of guilt unless expressly provided by law.
- The right to contest the contravention shall remain intact unless the person explicitly and knowingly waives such right.
- Any waiver of contestation must be recorded in writing or electronically and accompanied by confirmation that the person was informed of their rights.

The provision should further clarify that:

- Where early settlement is incentivised (e.g., reduced rate), acceptance of the reduced amount may constitute final settlement of the matter.
- Mechanisms must exist for refund or adjustment where a contestation is subsequently upheld.

Such clarity prevents legal ambiguity and protects the integrity of the enforcement framework.

### 5.3.3 Minimum Technical Standards and System Integrity

The enabling legislation, supplemented by subsidiary regulations, should establish minimum technical and operational standards governing digital payment systems.

These standards should include:

- End-to-end encryption of payment transactions.

Compliance with applicable financial security standards (e.g., PCI-DSS - Payment Card Industry Data Security Standard):

- Real-time or near real-time synchronisation with the central enforcement database.
- Unique transaction reference numbers automatically generated and non-editable.
- Tamper-proof logging of issuance, modification, and payment data.
- Automatic reconciliation mechanisms between enforcement records and payment systems.

Provision should also be made empowering the Minister to prescribe, by subsidiary legislation, technical specifications and system certification requirements.

### 5.3.4 Standardised “Rights and Information Notice”

To ensure transparency and uniformity across enforcement bodies, legislation should require that every on-the-spot settlement offer be accompanied by a standardised “Rights and Information Notice”.

This notice should:

- Clearly describe the alleged infringement.
- State the amount payable and any reduced settlement amount (if applicable).
- Inform the individual of their right to contest.
- Specify applicable time limits.
- Outline available contestation channels (including digital or remote options).
- Clarify consequences of non-payment.
- Be made available in Maltese and English, and where reasonably practicable, additional languages commonly used by visitors.

The format and minimum content of the notice may be prescribed by regulation to ensure consistency nationwide.

### 5.3.5 Data Minimisation, Retention and Audit Controls

Given the digital nature of the proposed system, the legislative framework must clearly regulate data processing in compliance with:

- The Data Protection Act (Chapter 586 of the Laws of Malta)
- Regulation (EU) 2016/679 (GDPR)

Legislation should therefore provide that:

- Only data strictly necessary for enforcement and record-keeping purposes shall be collected.
- Payment credentials shall not be stored on enforcement devices.
- Personal data shall be retained only for the period necessary to fulfil statutory purposes.
- Access to enforcement records shall be restricted to authorised personnel.
- Full audit logs shall be maintained for oversight and anti-corruption monitoring.

Provision should further empower the competent authority to conduct periodic audits and require compliance certification.

### 5.3.6 Enabling Powers for Subsidiary Legislation

To ensure adaptability without repeated primary legislative amendment, the law should grant the Minister power to issue subsidiary legislation regulating:

- Technical payment standards;
- Operational procedures;
- Categories of eligible offences;
- Early settlement reduction percentages (if applicable);
- Safeguards and reporting obligations;
- Refund mechanisms in cases of successful contestation;
- Enforcement procedures applicable to non-addressable persons.

Such delegated authority ensures flexibility while maintaining Parliamentary oversight through established legislative procedures.

### 5.3.7 Legal Certainty and Uniform Application

Finally, the amendments should provide that:

- The system shall apply uniformly across all enforcement authorities unless expressly exempted.
- Electronic records shall have evidential value in administrative and tribunal proceedings.
- Clear transitional provisions shall govern implementation phases and pilot programmes.



## To establish a legally robust, rights-compliant, transparent, and technologically secure enforcement framework.

This ensures predictability, legal coherence, and operational clarity across Malta's enforcement framework.

The proposed legal and regulatory measures are designed not merely to introduce a payment mechanism, but to establish a legally robust, rights-compliant, transparent, and technologically secure enforcement framework.

By grounding on-the-spot digital settlement in clear statutory authority, while preserving contestation rights, ensuring data protection compliance, and defining technical safeguards, the reform can be implemented confidently and consistently across Malta's local and national enforcement systems.

### 5.4 Operational Framework

#### Equipment and System Requirements

Officers should be equipped with secure devices capable of:

- Issuing the fine digitally
- Taking contactless/card/mobile-wallet payment
- Generating a digital and/or printed receipt
- Uploading the transaction to the central enforcement system in real time (or near real time)

#### Standardised Receipts and Records

Receipts should include:

- Reference number and authority issuing the fine
- Time/date/location and offence code
- Amount paid or amount due
- Clear instructions on how to contest (including online options)

## 5.5 Voluntary Nature, Public Confidence, and Rights Protection

The Local Councils' Association emphasises that the legitimacy and long-term success of the proposed reform depend fundamentally on maintaining public trust. For residents with a permanent and verifiable Maltese address, the availability of on-the-spot digital payment must remain a facilitative option rather than a coercive instrument.

The reform must therefore be explicitly grounded in principles of voluntariness, transparency, and procedural fairness

### 5.5.1 Optional Nature of On-the-Spot Payment

For individuals who are addressable within Malta, on-the-spot digital payment shall be:

- Optional and not compulsory;
- Presented as a convenience and efficiency mechanism;
- Clearly distinguishable from any enforceability mechanisms applicable to non-addressable persons.

Legislation and operational guidelines should state expressly that the enforcement officer may offer the option of immediate settlement but shall not require it where the individual has a verifiable Maltese service address and is otherwise subject to standard service procedures.

The purpose of this distinction is to ensure that residents retain full access to ordinary procedural safeguards without any perception that rights are being curtailed.

### 5.5.2 Freedom from Pressure or Coercion

To preserve confidence in the system, the offer of immediate settlement must be made in a neutral and professional manner.

Operational guidelines should provide that:

- Officers shall not exert pressure, inducement, or undue influence to secure immediate payment.
- The individual shall be given reasonable opportunity to consider the option.
- The explanation of rights shall be delivered clearly and without ambiguity.
- No adverse consequence shall arise solely from declining immediate payment (where the individual is addressable).

In addition, internal disciplinary standards should explicitly prohibit any form of coercive practice, and complaints mechanisms should be available where individuals believe procedural fairness has not been observed.





## **The total administrative and tribunal-related expenditure may become disproportionate to the value of the fine.**

### 5.5.3 Clear Information on Appeal Rights and Timeframes

The availability of immediate payment must always be accompanied by a clear and standardised explanation of:

- The nature of the alleged contravention;
- The amount payable (including any reduced early settlement rate, where applicable);
- The right to contest the fine;
- The applicable time limits for filing a contestation;
- The procedural steps required for contestation (including digital channels);
- The legal consequences of settlement versus contestation.

This information should be provided in writing, whether electronically or in printed form, and should form part of the standardised “Rights and Information Notice” prescribed by regulation.

Clear communication reduces misunderstanding, protects due process, and strengthens public perception of fairness.

### 5.5.4 Preservation of Ordinary Enforcement Procedures

Where the individual chooses not to pay on the spot, the enforcement framework must continue to operate in its ordinary form.

Specifically:

- The fine may be settled later within the voluntary payment period through existing digital or administrative channels.
- Formal postal notification procedures shall remain available.
- Tribunal processes shall remain accessible where contestation is initiated.

- All statutory timeframes and procedural safeguards shall continue to apply.

The refusal of on-the-spot payment shall not prejudice the individual's position, nor shall it result in automatic escalation or disadvantage beyond what the law already prescribes.

### 5.5.5 Strengthening Public Confidence

By maintaining voluntariness and transparency for residents, the reform reinforces:

- The principle of proportionality;
- Equality before the law;
- Respect for procedural rights;
- Public trust in enforcement institutions.

The system must be perceived not as an acceleration of penalty, but as a modern administrative convenience designed to reduce bureaucracy and improve service delivery.

When residents understand that they retain full procedural protections, the reform is more likely to be accepted as fair, balanced, and consistent with Malta's constitutional and administrative traditions.

### 5.5.6 Alignment with Constitutional and Administrative Principles

The voluntary framework aligns with:

- The right to a fair hearing under the Constitution of Malta;
- Principles of natural justice;
- The Public Administration Act's emphasis on transparency and accountability;
- Proportionality in administrative decision-making.

Ensuring that immediate settlement remains optional for addressable residents safeguards against any suggestion that administrative efficiency is being prioritised over individual rights.

The voluntary nature of on-the-spot digital payment for residents is central to the credibility of the reform. By clearly codifying the optional character of immediate settlement, prohibiting coercion, and preserving full appeal rights, the system can achieve administrative efficiency while upholding fairness, transparency, and public confidence

## 5.6 Data Protection and Cybersecurity

The LCA emphasises that this reform must be anchored in:

- End-to-end encrypted payments
- Secure, certified payment gateways
- No storage of full payment credentials on handheld devices
- Central audit logs that cannot be altered by field officers
- Regular independent audits and vulnerability testing

## 5.7 Oversight, Ethics, and Anti-Corruption Safeguards

To protect integrity and strengthen public trust:

- Cash handling should be avoided
- All transactions must be centrally logged
- Devices should generate non-editable receipts
- Random transaction audits should be conducted periodically
- Clear disciplinary standards should apply for misuse, coercion, or improper conduct

**Clear disciplinary standards should apply for misuse, coercion, or improper conduct.**



## 6. Distinction Between Residents and Non-Residents and Persons Without a Permanent Address

### 6A Incentivised Early Settlement Option for Residents (Administrative Efficiency Mechanism)

#### 6A.1 Rationale

While the proposal clearly establishes that on-the-spot digital payment should remain voluntary for individuals with a registered and verifiable Maltese address, the Local Councils' Association proposes that Government may also consider introducing an incentivised early settlement mechanism for residents who opt to resolve the fine immediately.

The rationale for this mechanism is administrative rather than punitive. Early voluntary settlement:

- Eliminates follow-up notification procedures
- Reduces postal and processing costs
- Avoids tribunal listings and associated administrative burden
- Reduces officer time spent on file preparation and court attendance
- Improves case closure rates

In essence, when a resident voluntarily settles the fine immediately, the State avoids downstream costs in administration, documentation, scheduling, and adjudication.

#### 6A.2 Proposed Wholesale or Reduced Settlement Rate

The LCA proposes that the Ministry may evaluate the feasibility of introducing a structured

## An efficiency-based settlement model.



reduced settlement rate (a “wholesale” or administrative efficiency rate) applicable exclusively to residents who choose immediate digital settlement.

This would function as:

- A modest percentage reduction on the standard fine amount
- Applicable only if payment is made immediately (or within a short defined timeframe, e.g., 48–72 hours)
- Conditional upon voluntary acceptance of settlement

This approach would reflect the administrative savings generated by early closure and would not be framed as leniency, but rather as an efficiency-based settlement model.

### 6A.3 Policy Justification

The introduction of a reduced early-settlement rate for residents would:

1. Encourage immediate compliance without coercion
2. Reduce tribunal backlog and sitting frequency
3. Decrease administrative processing time per case
4. Lower cumulative enforcement costs
5. Improve predictability of revenue inflow
6. Reduce operational strain on Local Enforcement Systems

Internationally, early-payment reductions are commonly used in administrative enforcement systems as an incentive for efficient resolution.

## 6A.4 Safeguards and Equity Considerations

To preserve fairness and legal integrity:

- The reduced rate must be clearly codified in law or subsidiary legislation.
- The option must remain voluntary.
- Individuals must still be informed of their right to contest.
- The reduced rate must not apply in cases involving serious or repeat offences, where policy considerations may differ.
- Transparency must be maintained in communication and documentation.

## 6A.5 Fiscal and Administrative Impact

Although a marginal reduction per individual fine would occur, the net fiscal impact may remain positive due to:

- Elimination of administrative processing costs
- Reduced tribunal sittings and associated logistical costs
- Higher overall compliance and recovery rates
- Reduced staff allocation to enforcement backlogs

From a public administration standpoint, the savings in time, personnel, and procedural complexity may outweigh the modest reduction offered.

## 6A.6 Strategic Value for Local Government Reform

The LCA believes that such an incentive mechanism aligns with:

- Smart governance principles
- Results-oriented administration
- Proportional enforcement policy
- Efficient use of public resources

By encouraging voluntary compliance among residents while ensuring enforceability for non-addressable individuals, the system becomes both fairer and more operationally sustainable.



# The reform expressly address enforceability realities in a tourism-intensive and mobile society.

## 6.1 Rationale

The LCA strongly recommends that the reform expressly address enforceability realities in a tourism-intensive and mobile society.

Where the alleged offender does not have a permanent registered address in Malta, such as:

- Tourists
- Short-term visitors
- Persons in temporary accommodation without reliable addressability
- Persons who cannot provide a verifiable local service address

postal citations and tribunal summons procedures can become ineffective, undermining enforcement outcomes and creating avoidable public expense.

This enforceability challenge was explicitly central to the LCA's early advocacy for on-the-spot fines in 2019.

## 6.2 Proposed Differentiated Approach Based on Addressability (Not Nationality)

The distinction should be based on administrative enforceability and the presence/absence of a verifiable service address in Malta, not on citizenship or nationality.

### Category A: Persons with a Registered/Verifiable Maltese Address

- On-the-spot digital payment offered on a voluntary basis
- If declined, normal service and tribunal mechanisms remain workable
- Digital options (email summons, online services) can still be encouraged

### **Category B: Persons Without a Registered/Verifiable Maltese Address**

For this category, the law should permit an enforceability mechanism at the point of contact, such as one of the following:

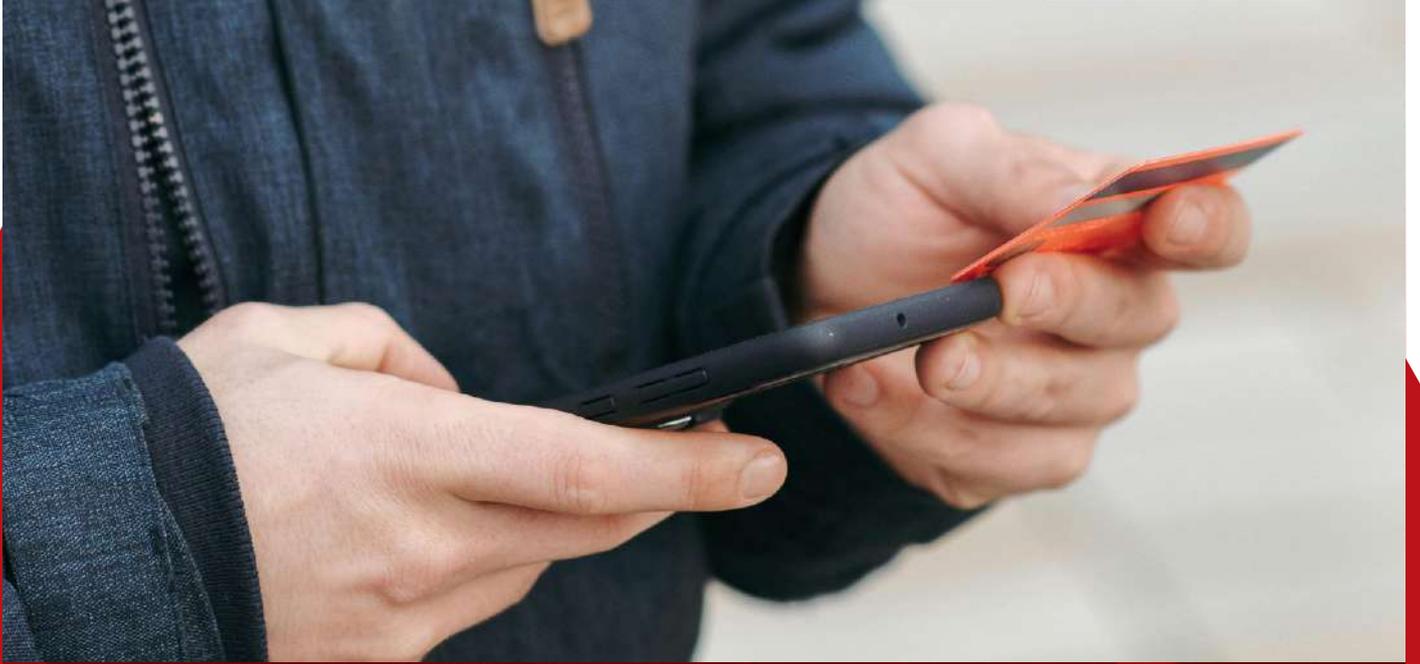
1. Immediate settlement requirement (digital payment on the spot), or
2. Payment guarantee mechanism (e.g., card pre-authorisation), or
3. Deposit/guarantee approach proportionate to the offence and refundable if successfully contested, and/or
4. Integration with vehicle rental processes where applicable (e.g., structured process for rental operators to facilitate payment/notification), subject to legal safeguards

The principle is straightforward: where the State cannot realistically serve a tribunal citation by post, enforcement must secure a lawful and fair resolution at the point of enforcement.

### **6.3 Safeguards for Category B**

To protect fairness and avoid reputational risks:

- Provide clear multilingual information on rights and contestation
- Preserve the right to contest through remote/digital channels
- Provide clear timelines and a transparent process to refund or adjust payments where a contestation succeeds
- Ensure proportionality and non-discrimination in application



## 7. Expected Benefits

### 7.1 Benefits for Residents

- Faster resolution and convenience
- Reduced risk of late penalties
- Greater clarity and transparency

### 7.2 Benefits for Local Councils and Enforcement Bodies

- Higher recovery rates
- Lower administrative costs (postage, processing, follow-ups)
- Better fiscal planning and revenue predictability
- Increased compliance and deterrence effect

### 7.3 Benefits for the Justice System

- Reduced unnecessary escalation
- Lower tribunal and administrative burden
- More efficient focus on contested and serious matters

### 7.4 Benefits for Malta's Public Reputation

- Clearer, more consistent enforcement
- Reduced disputes and confusion
- Modern, transparent service delivery that supports a well-managed destination

## 8. Implementation Roadmap

### Phase 1: Pilot Programme (Recommended 6–12 months)

- Select representative localities (including high-tourism areas and urban centres)
- Procure certified devices and integrate systems
- Train officers on procedure, rights, and conduct
- Collect data: payment rates, disputes, operational issues, public feedback

### Phase 2: Review and Legal Fine-Tuning

- Publish pilot evaluation
- Adjust operational protocols and legal drafting
- Engage stakeholders (local councils, enforcement agencies, consumer groups, tourism stakeholders)

### Phase 3: National Rollout and Public Information Campaign

- Standardise devices, training, and receipts
- Launch clear communications to residents and visitors
- Provide support channels and a public-facing FAQ

## 9. Financial Considerations

### Initial Investment

- Devices / secure payment solutions
- Integration with existing systems
- Training and compliance infrastructure

### Medium-Term Savings and Gains

- Reduced postal and administrative costs
- Increased recovery rate (especially for non-resident cases)
- Reduced tribunal escalation costs
- Improved cash flow and predictability

Given Malta's operational enforcement footprint and the scale of contraventions handled nationally, the LCA believes this reform is likely to be cost-effective, especially once the enforceability gap is addressed.



**The LCA believes this reform is likely to be cost-effective, especially once the enforceability gap is addressed.**

## **10. Risk Assessment and Mitigation**

- **Risk: Perceived coercion**  
**Mitigation:** Standard “rights notice,” voluntary payment for addressable persons, complaints channel, audits.
- **Risk: Discrimination allegations**  
**Mitigation:** Use addressability criterion only; preserve contestation rights equally; publish guidance.
- **Risk: Cybersecurity and fraud**  
**Mitigation:** Certified payment gateways, encryption, audit logs, regular security audits.
- **Risk: Operational failures (connectivity/device issues)**  
**Mitigation:** Fallback procedures, later payment options, strict reconciliation protocols.

## **11. Monitoring and Evaluation**

Key indicators should include:

- Increase in immediate and timely payment rates
- Reduction in unpaid fine backlog
- Recovery rates specifically for non-resident/unaddressable cases
- Reduction in tribunal escalations
- Processing time per contravention
- Public satisfaction and complaint trends

## 12. Conclusion

The LCA fully supports the initiative of the Ministry and respectfully asks for consideration of this proposal into the outcomes of the current consultation process and to consider its implementation as a practical reform that:

- strengthens enforcement credibility,
- reduces avoidable administrative expenditure,
- improves fairness between addressable and non-addressable offenders, and
- modernises public service delivery through secure digital processes.

This submission reflects an initiative first advocated publicly by the LCA in 2019 and now developed into a comprehensive reform framework suited to Malta's present realities.

### **Mario Fava**

*President, Local Councils' Association (Malta)*

**Introduction of On-the-Spot Digital Payment of Administrative Fines, with an Enforceability Framework for Non-Residents and Persons without a Permanent Address**

**A comprehensive  
reform framework  
suited to Malta's  
present realities.**

# Annex I – Bibliography

## Proposal Submitted by the Local Councils' Association (Malta)

Re: Introduction of On-the-Spot Digital Payment of Administrative Fines and Enforceability Framework

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